

GIB Consolidated Liquidity Coverage Ratio (LCR)
Three months ended 31st March 2021

In August 2018 the Central Bank of Bahrain (CBB) issued regulations on Liquidity Risk Management through its Liquidity Risk Management Module. The regulations require Bahraini bank licensees to meet a minimum Liquidity Coverage Ratio (LCR) of 100 per cent on a daily basis. The LCR has been designed to promote short term resilience of a bank's liquidity risk profile and aims to ensure that a bank has an adequate stock of high-quality, unencumbered liquid assets to meet its liquidity needs for a 30-calendar day stressed liquidity period.

The below table provides Gulf International Bank's disclosure of its consolidated LCR for the three months ended 31st March 2021 and the previous three month period in the manner prescribed by the CBB. The consolidated average LCR of 164 per cent for the three months ended 31st March 2021 is mainly derived from US\$5.5 billion of High Quality Liquid Assets (HQLA). The HQLA mainly comprise overnight balances with central banks in the jurisdictions in which the Group operates, and investments in debt securities of investment grade issuers.

US\$ millions		3 months ended 31.3.21		3 months ended 31.12.20	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-Quality Liquid Assets (HQLA)					
1	Total high quality liquid assets (HQLA)		5,470		4,669
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	470	47	544	54
3	Stable deposits	-	-	-	-
4	Less stable deposits	470	47	544	54
5	Unsecured wholesale funding, of which:	11,163	4,736	9,610	4,011
6	Operational deposits (all counterparties)	-	-	-	-
7	Non operational deposits (all counterparties)	11,163	4,736	9,610	4,011
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding	-	-	-	-
10	Additional requirements, of which:	1,747	227	1,687	198
11	Outflows related to derivative exposures and other collateral requirements	59	59	33	33
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	1,689	169	1,654	165
14	Other contractual funding obligations	498	498	600	600
15	Other contingent funding obligations	5,745	287	5,802	290
16	Total Cash Outflows		5,796		5,154
Cash Inflows					
17	Secured lending (e.g. reverse repos)	2	2	14	14
18	Inflows from fully performing exposures	2,564	2,282	2,532	2,312
19	Other cash inflows	142	142	142	142
20	Total Cash Inflows	2,707	2,426	2,688	2,468
		Total adjusted value		Total adjusted value	
21	Total HQLA		5,470		4,669
22	Total Net Cash Outflows		3,370		2,687
23	Liquidity Coverage Ratio (%)		164%		184%

Note: In accordance with Central Bank of Bahrain guidelines, the LCR presented above is a simple average of the daily LCRs for the period

GIB Consolidated Net Stable Funding Ratio (NSFR)

31st March 2021

In August 2018 the Central Bank of Bahrain (CBB) issued regulations on Liquidity Risk Management through its Liquidity Risk Management Module. The regulations require Bahraini bank licensees to meet a minimum Net Stable Funding Ratio (NSFR) of 100 per cent on an ongoing basis from 31st December 2019. The NSFR rules are designed to ensure that a bank's liability profile provides it adequate stable funds to fund its assets.

The below table provides Gulf International Bank's disclosure of its consolidated NSFR as at 31st March 2021 in the manner prescribed by the CBB. The consolidated NSFR of 165 per cent at 31st March 2021 (31st December 2020: 156 per cent) demonstrates that the Group has adequate Available Stable Funds (ASF) relative to its Required Stable Funds (RSF). The Group's ASF comprises the Group's capital base, senior term financing, retail deposits and wholesale customer deposits. The ASF attributable to the Group's capital base and liabilities maturing beyond one year comprised 37 per cent (31st December 2020: 44 per cent) of the Group's total ASF. 67 per cent (31st December 2020: 67 per cent) of the Group's RSF is attributable to loans provided to non-financial clients. The Group's HQLA, which mainly comprise investment grade debt securities and overnight placements with Central Banks, require minimal RSF on a weighted basis.

All figures in US\$ millions

No.	Item	Unweighted Values (i.e. before applying relevant factors)				31st March 2021	
		No specified maturity	Maturing in less than 6 months	Maturing in more than 6 months and less than one year	Maturing over one year	Total unweighted value	Total weighted value
Available Stable Funding (ASF):							
1	Capital:						
2	Regulatory Capital	2,582				2,582	2,582
3	Other Capital Instruments	465				465	465
4	Retail deposits and deposits from small business customers:						
5	Stable deposits						
6	Less stable deposits	191	728	11	1	931	838
7	Wholesale funding:						
8	Operational deposits						
9	Other wholesale funding	12,653	11,614	3,371	3,299	30,937	13,094
10	Other liabilities:						
11	NSFR derivative liabilities						
12	All other liabilities not included in the above categories						
13	Total ASF						16,979
Required Stable Funding (RSF):							
14	Total NSFR high-quality liquid assets (HQLA)						1,048
15	Deposits held at other financial institutions for operational purposes						
16	Performing loans and securities:						
17	Performing loans to financial institutions secured by Level 1 HQLA						
18	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	1,138	2,457	452	102	4,148	867
19	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:		5,041	1,316	3,765	10,122	6,379
20	- With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines				856	856	557
21	Performing residential mortgages, of which:						
22	- With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines						
23	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities				172	172	152
24	Other assets:						
25	Physical traded commodities, including gold						
26	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		104			104	88
27	NSFR derivative assets		139			139	139
28	NSFR derivative liabilities before deduction of variation margin posted		78			78	78
29	All other assets not included in the above categories	617				617	617
30	OBS items		2,158	1,692	3,997	7,846	361
31	Total RSF						10,285
32	NSFR (%)						165%